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20 February 1975

MEMORANDUM FOR: DDI/CINM

THROUGH : Chief, China Division

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SUBJECT : Transmittal of Briefing Paper titled:
"The Narcotics Situation in the Golden
Triangle in 1974"

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1. The attached Paper highlights the significant changes which took place in the narcotics traffic within the Golden Triangle in 1974 and a brief outlook for 1975.

2. This Paper is in response to a request from Mr. William Gallagher, EA/RA/Department of State, Executive Secretary, East Asia Drug Control Coordinator, to be used in a briefing handbook at a meeting of narcotics coordinators from US Missions in Southeast Asia in Bangkok during March 1975.

3. Mr. Gallagher has requested that this Paper be submitted to him by COB 24 February 1975 if at all possible.

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4. Any questions or comments should be directed to the author,

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The Narcotics Situation in the Golden Triangle
in 1974

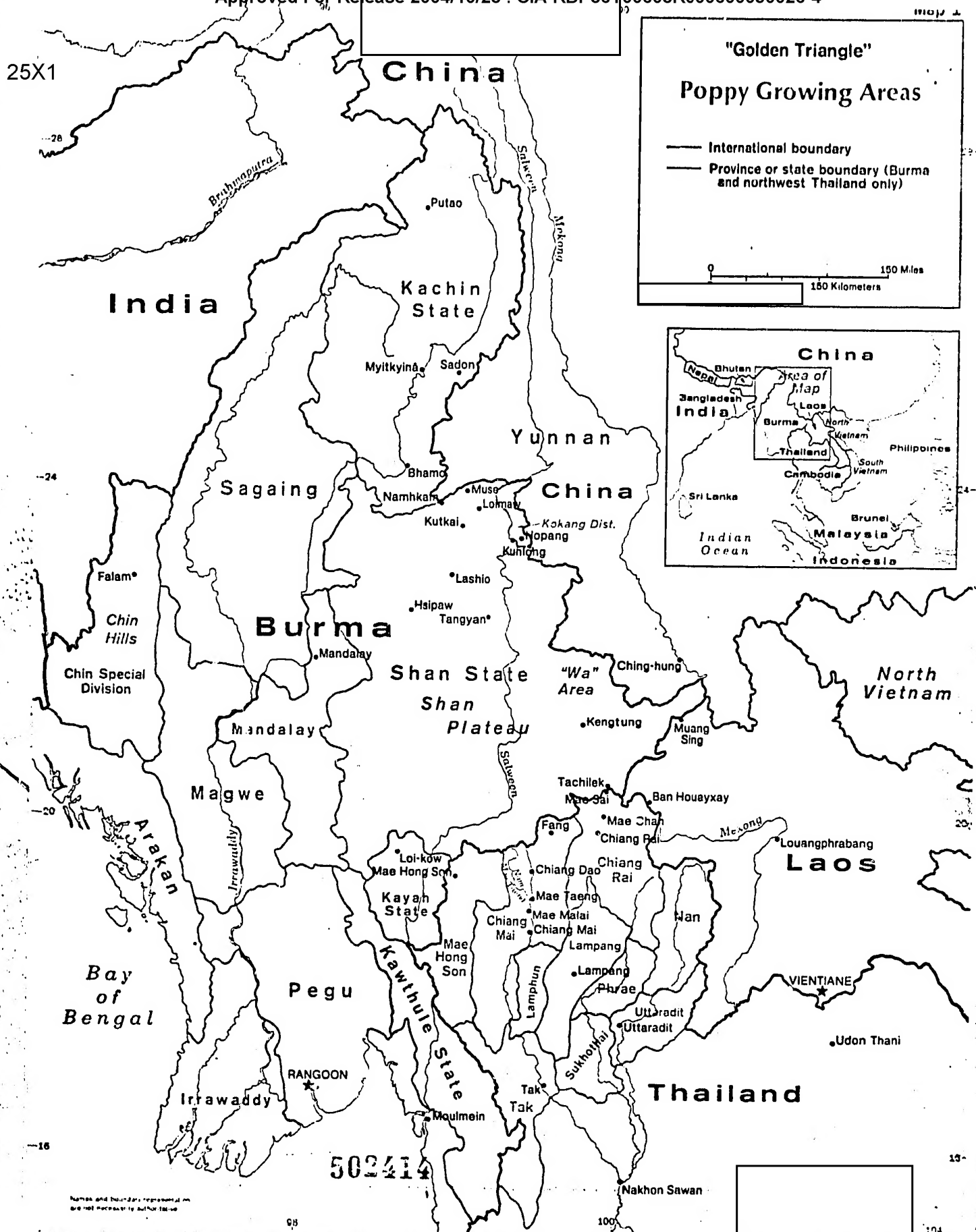
Summary

1. Rising demand, risks of interdiction, and inflationary pressures contributed to a steady rise in the price of most narcotics throughout the Golden Triangle in 1974. Nevertheless, the traffic continued to flourish and the region remains a large supplier of finished narcotics for the international market. Prospects for 1975 indicate an expansion in the area devoted to raw opium cultivation in both Burma and Thailand and possibilities of a bumper harvest.

2. A reduction in opium output and continued Burmese and Thai anti-narcotics operations resulted in a decrease in the movement of raw opium to the tri-border area during the year. Caravans have been reduced in size necessitating more frequent trips to the border areas. Greater use has been made of porters and motor vehicles in place of animal transport. The routing of the larger caravans has shifted to the western portions of the region. High prices for narcotics throughout the Golden Triangle have encouraged an influx of private merchants into the traffic. These businessmen predominated in the movement of raw opium to the tri-border area during 1974. Nevertheless, the major insurgent and irregular armies in the area such as the Chinese Irregular Forces (CIF), the former Burmese Self Defense Forces (KKY), the Kachin Independence Army (KIA) and others still maintain considerable control over the traffic in the region. The CIF was by far the dominant trafficking organization in the Golden Triangle in 1974. In addition to these organizations, the involvement in 1974 of the Burmese Communist Party (BCP) in the sales and marketing of opium through their own as well as traditional channels added a new dimension to the trade and further complicated Burmese enforcement efforts.

3. Increased shipments of pitzu and morphine base produced in refineries located in remote areas of northeast Burma during 1974 appeared to have offset the decline in raw opium shipments to the border and enhanced the ability of traffickers to avoid Burmese interdiction efforts. In addition to the morphine base refineries concentrated in the Northern Shan State of Burma, there has been a considerable expansion in the number of heroin refineries located along the Burmese-Thailand border.

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4. There appears to have been a major shift in the movement of finished narcotics through Thailand into the international market during 1974. Increased use of routes down the Thai peninsula to Malaysia and Singapore have been noted. New routes through this area have also been observed to terminals for sea deliveries of narcotics to Malaysia, South Vietnam, the Philippines and Hong Kong. Recent seizures No. 3 heroin in Europe appear to support a greater use of this connection through Malaysia and Singapore.

Raw Opium Production

5. The raw opium harvest in the Golden Triangle may have declined by as much as 100 tons below the level of 1973 because of unfavorable climatic conditions in major Burmese and North Thailand growing areas. Opium production losses, however, were believed to have been partially offset by the increased availability of opium grown in the BCP-controlled areas east of the Salween River. Total output in Burma was probably close to 400 tons.

6. Opium production in North Thailand was also affected by severe cold weather during early 1974 which resulted in reduced yields in most of the tribal-growing areas. These unseasonable frosts apparently did greater damage to the experimental crops which had been planted under United Nations programs as a replacement for opium poppies than to the poppies themselves. Estimates of Thai opium production have historically been given as 150 to 200 tons annually. However, there appears to be evidence that these estimates are too high. Recent surveys of opium poppy acreage and output in some of the major Thai producing areas indicates that annual output may be less than 100 tons.

7. Raw opium production in Laos may have been affected by the cold front which seriously damaged crops in Burma and Thailand. In any event, Laotian production probably does not exceed 30 tons and is barely sufficient to meet local demand.

Changing Traffic Patterns

8. Operations by the Burmese Army against narcotics traffickers continued during 1974. Several successful interdictions of large caravans were reported and narcotics seizures increased significantly. Organizations such as the Chinese Irregular Forces (CIF), ex-Burmese Self Defense Forces (KKY), Kachin Independent

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Army (KIA), etc., were compelled to adopt new operating procedures and routes to the Burma-Thailand border. The size of caravans were reduced and greater use was made of small groups of pack animals, and/or porters. As a result, the average size of individual opium shipments was about one ton as compared to three tons in 1973.

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Raw Opium Traffic and Marketing

11. Raw opium shipments to the tri-border area through November 1974 totalled over 200 tons or about 100 and 300 tons respectively below the levels of 1973 and 1972.

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